No. 89-1603

In The

Supreme Court of the United States

October Term, 1989

MARIAN F. CHEW,

Petitioner,

vs.

STATE OF CALIFORNIA,

Respondent.

RESPONSE TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

JOHN K. VAN DE KAMP,
Attorney General of
the State of California
R. H. CONNETT
Assistant Attorney General
KATHLEEN E. GNEKOW
Deputy Attorney General
Attorneys for Respondent

1515 K Street, Suite 511
Sacramento, CA 95814
(916) 324-5333

Of Counsel

KATHLEEN E. GNEKOW
Deputy Attorney General

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

TABLE OF CONTENTS

Page

CONTENTS

TABLE OF AUTHORITIES

Page

CASES

SUMMARY OF ARGUMENT

Petitioner had a remedy in the courts of the State of California for any taking of her property. The California Supreme Court has clearly established that intangible property, such as a patent right, can be the subject of an inverse condemnation claim such as Petitioner had for the alleged taking of her property by the State without just compensation. Furthermore, assuming *arguendo* that Petitioner had no such remedy, the patent statute in question does not meet the requirement that abrogation of Eleventh Amendment immunity can be accomplished only by a clear and explicit statement to that effect in the language of the statute itself.

ARGUMENT

PETITION FOR WRIT OF CERTIORARI SHOULD BE DENIED

I. Petitioner Had A Remedy In State Court For Any Taking Of Her Property

Contrary to Petitioner's claim that she lacks any forum in which to litigate her rights, and that she is therefore denied due process of law, Petitioner had a state court remedy for the alleged taking of her property.[1] In *City of Oakland v. Oakland Raiders*, 32 Cal.3d 60, 64-69, 183 Cal.Rptr. 673, 676-678, 646 P.2d 835, 837-840 (1982), the California Supreme Court determined that there was

---

[1] As will be discussed *infra*, this is the same remedy available as against the federal government for alleged patent infringement.

no restriction on the nature of property that can be taken by eminent domain, and thus intangible property (in that case a football franchise) could be taken if the public purpose requirements for the valid exercise of such power were met. In determining that there was no distinction to be made, with regard to condemnation, between tangible and intangible property, the *City of Oakland* at page 66 noted that this Court had long since come to the same conclusion, citing *The West River Bridge Company v. Dix et al.* (1848) 47 U.S. (6 How.) 507, 533 [12 L.Ed. 535, 546] (which concerned the government's power in relation to a franchise), and *Kimball Laundry Co. v. U.S.* (1949) 338 U.S. 1, 10-11, 16 [93 L.Ed. 1765, 1774-1775, 1777-1778, 69 S.Ct. 1434, 7 A.L.R.2d 1280] (concluding that such intangibles as trade routes of a laundry were condemnable). The *City of Oakland* at pages 66 to 67 also noted that "[r]espected treatise writers and commentators have been in full accord," citing, among others, Nichols on Eminent Domain which states,

> "Personal property is subject to the exercise of the power of eminent domain. Intangible property, such as choses in action, *patent rights*, franchises, charters or any other form of contract, are within the scope of this sovereign authority as fully as land. . . . " (emphasis added) (1 Nichols on Eminent Domain (3d rev. ed. 1989) § 2.1[2], pp.2-8 to 2-9.)

The court noted that the sovereign's power to take property is necessary to the very existence of government, and that, when properly exercised, such power,

> "[a]ffords an orderly compromise between the public good and the protection and indemnification of private citizens whose property is taken

> to advance that good. That protection is constitutionally ordained by the Fifth Amendment to the United States Constitution, which is made applicable to the states by nature of the Fourteenth Amendment (*Chicago, Burlington Sc. R'd. v. Chicago* (1897) 166 U.S. 226, 233-241 [41 L.Ed. 979, 983-986, 17 S.Ct. 581]) and by article I, Section 19 of the California Constitution." *City of Oakland*, 32 Cal.3d at 64.

Thus, Petitioner's Fifth Amendment protection is provided by means of the state court action to determine appropriate compensation.

Simply put, if property such as a patent right can be condemned by means of eminent domain, then the owner of such property would also have an inverse condemnation claim where the property in question was taken without the payment of just compensation. "[C]ondemnation and inverse condemnation, in our view, are merely different manifestations of the same governmental power, with correlative duties imposed upon public entities by the same constitutional provisions. . . . " *City of Oakland*, 32 Cal.3d at 67. *City of Oakland* clearly establishes that Petitioner had a remedy in state court, had she chosen to pursue it. The existence of that state court remedy provided Petitioner with the means for a due process determination of her property rights.

II. This Court Has Determined That A State's Eleventh Amendment Immunity Is Not Abrogated By Statute Absent A Clear Statement To The Contrary In The Relevant Law

This Court has made it clear that Congress' intent to abrogate the States' Eleventh Amendment immunity

must be unmistakably clear in the language of the relevant statute itself. As recently stated in *Dellmuth v. Muth*, ___ U.S. ___, 109 S.Ct. 2397, 2401 (1989) the evidence of congressional intent to abrogate such immunity must be both "unequivocal and textual." See also *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 242 (1985), *reh. denied* 473 U.S. 926 (1985); *Pennsylvania v. Union Gas Co.*, ___ U.S. ___, 109 S.Ct. 2273, 2280 (1989); and *Welch v. Texas Highways & Pub. Transp. Dept.*, 483 U.S. 468, 474-76 (1987). Consequently, as noted by the Appellate Court below, Congress is the appropriate body to address Petitioner's complaint. *Chew v. State of California*, 893 F.2d 331, 336 (Fed. Cir. 1990).[2]

While it is true that the current law does not provide Petitioner with a forum for a patent *infringement* suit against the State of California, we note,

> "that Congress has similarly not provided a forum for patent infringement suits against the United States in Title 35. Rather it has provided for a suit for compensation in the United States Claims Court where 'a [patented] invention is used or manufactured by or for the United States.' 28 U.S.C. § 1498 (1982). Such suit is based on principles related to the taking of property, namely a patent license, and subjects the United States to payment of appropriate compensation therefor, not to the liability or

---

[2] We note that legislation to abrogate the States' Eleventh Amendment immunity for patent infringement has, in fact, been introduced during the current session of Congress in both the House (1990 H.R. 3886) and Senate (1990 S. 2193).

> relief (such as treble damages) provided in the patent statute." (*Chew*, 893 F.2d at 336.)[3]

Thus, the same remedy as is available to Petitioner against the United States, is available against the State of California in state court under the theory that Petitioner's property has been unjustly taken by the State.

Furthermore, and again as noted by the Appellate Court below (*Chew*, 893 F.2d at 335), the exclusiveness of a federal court remedy has not been relied upon as grounds or support for a finding of abrogation. *Hoffman v. Conn. Dept. of Income Maintenance*, ___ U.S. ___, 109 S.Ct. 2818 (1989); *B.V. Engineering v. Univ. of Cal., Los Angeles*, 858 F.2d 1394 (9th Cir. 1988), *cert. denied*, 109 S.Ct. 1557 (1989); *Charley's Taxi Radio Dispatch v. SIDA of Hawaii*, 810 F.2d 869 (9th Cir. 1987). Consequently, assuming *arguendo* that there was some basis to Petitioner's theory that her sole remedy lies in a federal forum, such fact would remain insufficient to support a finding of abrogation.

The patent statute in question (35 U.S.C. 271(a), 281) does not meet the requirement for unmistakably clear language abrogating state immunity and such abrogation cannot be implied.

---

[3] The court in *Calhoun v. United States*, 453 F.2d 1385, 1391 (1972), specifically noted that the government may take by eminent domain a compulsory compensable license in a patent, and that a patentee obtains his Fifth Amendment just compensation for that taking through an action under 28 U.S.C. §1498.

CONCLUSION

Petition For Writ Of Certiorari should be denied since the patent statute in question does not contain the clear and explicit language necessary to find that Congress has abrogated the states' Eleventh Amendment immunity. Furthermore, Petitioner had a state court remedy in which she could have claimed compensation for any alleged taking of her property, had she chosen to do so, and, consequently, Petitioner was not denied due process of law.

Respectfully submitted,

JOHN K. VAN DE KAMP,
Attorney General
of the State of California
R. H. CONNETT
Assistant Attorney General
KATHLEEN E. GNEKOW
Deputy Attorney General

Attorneys for Respondent
State of California